

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 258

SPONSOR: Senator Geller

SUBJECT: Public Funds

DATE: February 12, 2003 REVISED: 02/18/03 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Cooper</u>	<u>Yeatman</u>	<u>CP</u>	<u>Fav/1 amendment</u>
2.	<u> </u>	<u> </u>	<u>BI</u>	<u> </u>
3.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
4.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
5.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6.	<u> </u>	<u> </u>	<u> </u>	<u> </u>

I. Summary:

This bill authorizes local governments to pay certain expenses by means of electronic funds transfer.

This bill amends s. 215.85 of the Florida Statutes.

II. Present Situation/

The "Direct Deposit of Public Funds Act" in s. 215.85, F.S., provides authorization for all public agencies and the judicial branch to withdraw, pay, or disburse all public funds in their control by direct deposit to the account of the person entitled to receive such funds.

Paragraph (3)(b) defines the term "public funds" as:

“...all moneys under the jurisdiction or control of the state, a county, or a municipality, including any district, authority, commission, board, or agency thereof and the judicial branch, and includes all manner of pension and retirement funds and all other funds held, as trust funds or otherwise, for any public purpose.”

Subsection (5) provides procedures for wire transfer of public funds. Local governments are authorized to transfer funds from one depository to another or within a depository or to another institution, and to transfer funds “wherein the transfer does not represent an expenditure, advance, or reduction of cash assets.” Such transfers may be made by electronic, telephonic, or other medium, and each transfer must be confirmed in writing and signed by the designee of the governing board or officer of the local government.

III. Effect of Proposed Changes:

Section 1 amend s. 215.85(5), F.S., to allow the governing board or officer of any local government with the authority to deposit or withdraw funds to “electronically transfer funds to pay expenses evidenced by a valid invoice.” This grants an exception to the restriction against transferring funds that may “represent an expenditure, advance, or reductions of cash assets.”

Section 2 provides that the bill will take effect July 1, 2003.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

To the extent that local governments use the option provided by this bill, financial institutions may lose any income gained from fund balances maintained by local governments. However, such losses may be offset by electronic fund transfer fees received from local governments.

C. Government Sector Impact:

Local governments will gain additional flexibility and efficiencies in paying their expenses.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

1 by Comprehensive Planning:
Technical amendment.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
